Re-development of Mumbai High North oil fields

576. SHRIMATI SURPRIYA SULE : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC plans to invest Rs. 4,000 crore on re-development of Mumbai High North oilfields, which would enable the company to enhance production from the ageing oilfield;

(b) if so, whether ONGC has sought a board approval for investing around Rs. 4,000 crore for re-development of Mumbai High North oil fields;

(c) if so, the concrete measures and steps, Government proposes to take in this regard; and

(d) by what time it is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) ONGC had launched a major initiative in the form of re-development projects to arrest production deceline of Mumbai High oil field in 2000-01. The first phase of Mumbai High North (MHN) re-development project was completed in December, 2006 at a cost of Rs. 3239.43 crore with the success of first phase, ONGC is presently working on feasibility of the second phase of Mumbai High North re-development.

Difficulties of LPG consumers

577. SHRI RAJNITI PRASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that there is acute shortage of domestic LPG in many parts of North India and specially in Bihar;

(b) whether it is also a fact that the consumers are facing serious problems, and they are compelled to buy the cylinders from black market at a very high price;

(c) whether there is an undeclared ban on issue of new gas connections and people are forced to buy hot-plates from the dealers; and

(d) the steps being taken by Government to mitigate the problems of poor people and stop black marketing by dealers?

THE MINISTER OF STATE IN THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG in the country and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors. OMCs have further reported that they have supplied 8450 TMT (Thousand Metric Tonnes) and 218 TMT of domestic LPG in the country and in State of Bihar respectively during the period—April, 2007—January, 2008 as against 8030 TMT and 207 TMT respectively during the corresponding period of last year.

However, OMCs had reported backlog in LPG supplies in certain States in the country due to reduction in supply of bulk LPG by Reliance Industries Limited (RIL) & Essar Oil Limited in January 2008, delay in movement of bulk LPG by rail from Jamnagar to the Northern Region, increased demand in the States due to severe cold which resulted in panic

booking by the customers, strickes by contract labour, agitational activities, delays in berthing of vessels at Haldia Port due to reduced draft, bandhs etc.

Government has advised OMCs to liquidate the backlog in the States by operating the bottling plants on holidays and during extended hours. Increased bottling is also being done during the working days for early clearance of backlog.

(c) The enrolment of new LPG customers and release of new LPG connections is a continuous process. Public Sector Oil Martketing Companies (OMCs) have reported that at present, new LPG connections are available across the counter for genuine domestic customers on verification of documents as per laid down procedure.

OMCs have reported that as on 1.2.2008 they are having 992.9 lakh and 23.8 lakh of domestic LPG connections in the country and in the State of Bihar respectively. OMCs have also released 1.4 lakh new LPG connections in the State of Bihar during the period April, 2007-January, 2008 as against 0.8 lakh connections during the corresponding period of last year.

OMCs have not directed their LPG distributors to sell hot-plates of particular companies for domestic use to customers. However OMCs have tied up with some stove manufacturers for production of "Green Label" stoves, which have higher thermal efficiency and, apart from being economical to the consumers, also, help in conserving fuel and protecting the environment. Customsers can purchase these products at competitive prices but they are not under any compulsion to purchase the same from the LPG distributors. In fact, customers are at liberty to buy these appliances (meeting BIS specifications) from any source of their choice.

(d) The possibility of black marketing of subsidized domestic LPG cylinders by some unscrupulors elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

In order to stop black marketing of LPG cylinders, the Governent has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" and formulated "Marketing Discipline Guidelines, 2001" which provides for penal action against LPG distributors indulging in black marketing of LPG.

Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the MDG. MDG provides for following action against the distributor:-

- Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.
- Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence.
- Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against black marketing of domestic LPG. Similarly, the Weights and Measures Department of the States/UTs initiates legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Governments have been alerted from time to time to take steps against the black-marketing/diversion of domestic cylinders for unauthorized usage.

Government have issued advertisments cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity/malpractice to the OMCs.

Further, LPG distributors are also under instructions to ensure 100% weighment of cylinders at their godown before delivery at the customers' premises. In a bid to enhance customer satisafaction levels, distributors in selected markets have been advised by OMCs to provide a spring balance to enable the customers to verify the correctness of the weights of LPG in the cylinders. OMCs have introduced this scheme in major markets of the country.

The officials of OMCs carry out random checks at distributors, godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instruction to check the weight of cylinder at their godowns before delievery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified and shown to the customers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced with a fresh refill cylinder without any charges levied by the OMCs.

Blending of ethanol

†578. SHRI MOTILAL VORA:
SHRI MAHENDRA MOHAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is making any effort to sell the 10 per cent ethanol mixed petrol at national level;

(b) what is the percentage of sale of ethanol mixed petrol at present and the amount of ethanol required for it every day;

(c) the quantity of the availability of ethanol as of now; and

(d) the steps being taken by Government to meet this shortage of ethanol?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The Cabinet Committee on Economic Affairs (CCEA) decided on 9.10.2007 to make 10% blending optional from October, 2007 and thereafter mandatory from October 2008. Since the issue of modification of the engines are involved for 10% blending, IOC (R&D), Bureau of Indian Standards (BIS) and Society for Indian Automobiles Manufacturers (SIAM) have been requested to study the issue and to finalise the technical specifications for the implementation of ethanol with petrol in consultation with all the stake holders.

(b) At Present 5% ethanol mixed petrol is being sold and total requirement of ethanol for 5% blending in notified States and Union Territories is 60 Crore litre per year which comes out to approx. 1600 KL per dav

(c) and (d) As against industry's requirement of 180 crore litres of ethanol for a period of three years, the Oil Marketing Companies (OMCs) have been able to contract 140.4 crore litres and they have so far procured 24.2 crore litres under the programme (as on 25.2.2008).

†Original notice of the question was received in Hindi.